

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION
FOR THE PURPOSE OF CONSIDERING:**

**APPLICATIONS OF KAISER-FRANCIS OIL
COMPANY FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

Case Nos. 21177-21179

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Kaiser-Francis Oil Company as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Kaiser-Francis Oil Company
P.O. Box 21468
Tulsa, Oklahoma 74121

Attention: David Hamilton

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OTHER PARTIES

OTHER PARTIES' ATTORNEYS

STATEMENT OF THE CASE

APPLICANT

Case No. 21177: Kaiser-Francis Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit underlying the N/2N/2 of Section 24, Township 23 South, Range 28 East, NMPM and Lot 1, NE/4NW/4, and N/2NE/4 (the N/2N/2) of Section 19, Township 23 South, Range 29 East, NMPM. The unit will be dedicated to the Mosaic Fed. 2419 2BSS Well No. 1H, with a first take point in the NW/4NW/4 of Section 24 and a last take point in the NE/4NE/4 of Section 19.

Case No. 21178: Kaiser-Francis Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit underlying the S/2N/2 of Section 24, Township 23 South, Range 28 East, NMPM and Lot 2, SE/4NW/4, and S/2NE/4 (the S/2N/2) of

Section 19, Township 23 South, Range 29 East, NMPM. The unit will be dedicated to the Mosaic Fed. 2419 2BSS Well No. 2H, with a first take point in the SW/4NW/4 of Section 24 and a last take point in the SE/4NE/4 of Section 19.

Case No. 21179: Kaiser-Francis Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation in a horizontal spacing unit underlying the N/2 of Section 24, Township 23 South, Range 28 East, NMPM and Lots 1, 2, E/2NW/4, and NE/4 (the N/2) of Section 19, Township 23 South, Range 29 East, NMPM. The unit will be dedicated to (a) the Mosaic Fed. 2419 WA Well No. 1H, with a first take point in the NW/4NW/4 of Section 24 and a last take point in the NE/4NE/4 of Section 19, (b) the Mosaic Fed. 2419 WA Well No. 2H, with a first take point in the SW/4NW/4 of Section 24 and a last take point in the SE/4NE/4 of Section 19, (c) the Mosaic Fed. 2419 WAM Well No. 1H, with a first take point in the NW/4NW/4 of Section 24 and a last take point in the NE/4NE/4 of Section 19, (d) the Mosaic Fed. 2419 WC Well No. 1H, with a first take point in the NW/4NW/4 of Section 24 and a last take point in the NE/4NE/4 of Section 19, and (e) the Mosaic Fed. 2419 WC Well No. 2H, with a first take point in the SW/4NW/4 of Section 24 and a last take point in the SE/4NE/4 of Section 19.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells.

OTHER PARTIES

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Michael Maxey (landman)	15 min.	Approx. 8
Lee Lindman (geologist)	10 min.	Approx. 8

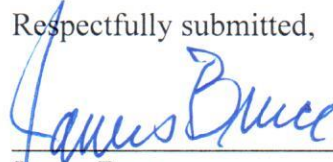
OTHER PARTIES

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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PROCEDURAL MATTERS

If the cases are unopposed they will be presented by affidavit.

Respectfully submitted,



James Bruce

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Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Kaiser-Francis Oil Company